

## APPENDIX E

### STATE OFFICE OF ADMINISTRATIVE HEARINGS FISCAL YEARS 2013-2017 WORKFORCE PLAN

#### Strategic Goals and Objectives

SOAH has one principal goal:

<b>Goal 1</b>	Provide for a fair and efficient administrative hearings process
<b>Objective</b>	Ensure that all hearings are conducted in a fair and impartial manner
<b>Strategy</b>	Conduct hearings and prepare Proposals for Decisions and Final Orders
<b>Objective</b>	Provide an opportunity for alternative dispute resolution proceedings
<b>Strategy</b>	Conduct alternative dispute resolution proceedings

#### I. Business Functions.

The critical business functions of the agency include:

- *Conducting Hearings;*
- *Conducting Mediations and Other Alternative Dispute Resolution Processes;*
- *Docketing;*
- *Issuing Proposals for Decision; and*
- *Processing of Administrative License Revocation Appeals.*

#### II. Anticipated Changes in Strategies.

SOAH anticipates no major changes in its strategies that would significantly impact the agency's business and workforce. SOAH's workforce requirements would be impacted by future legislation transferring additional jurisdiction to or from the agency. At this time, however, it is unknown what, if any, new jurisdiction might be transferred to SOAH in the future.

## CURRENT WORKFORCE PROFILE

The statistical information provided in this section is based on data as of August 31, 2011. SOAH's current workforce is comprised of approximately 113 employees; of those, 33 percent are male and 67 percent are female. Out of the same population, 83 percent of the agency's employees are over the age of forty. SOAH has quite an experienced workforce, with 67 percent of its employees holding greater than five years' service, and 46 percent have worked for SOAH over ten years. SOAH recognizes the importance of the ethnic diversity of its workforce and continues to aim to maintain or surpass the diversity of the statewide civilian workforce.

Table 1, on the following page, is the Workforce Utilization Analysis for SOAH. The analysis focuses on diversity in the workforce and allows the agency to evaluate the level of diversity within its workforce. It illustrates that SOAH has underutilization that should be addressed as vacancies become available in the applicable job category. In the categories of Official/Administrator and Technical, the under-representation is a result of the low number of employees and low turnover in these categories. Over one-half (62.5) of SOAH's employees are in the "Professional" job category, and 55 of those employees are ALJs. Although the agency's statistical information would indicate underutilization of African Americans and Hispanics in the statewide Professional job category, SOAH's utilization (three percent) is only slightly below the percentage of African Americans (four percent) represented in the Administrative and Public Law Section of the State Bar of Texas and is four percent higher than the Hispanic category. (*See Attorney Statistical Profile for 2011-2012* compiled by the State Bar of Texas Department of Research and Analysis.)

The EEOC's Rule of 80 is used to determine underutilization. Underutilization is considered statistically significant if the percent utilization in the state agency's workforce is below 80 percent of that in the civilian workforce. To calculate underutilization, multiply the civilian workforce percentage by 0.8 to determine 80 percent of the civilian workforce. If the resulting number is greater than the percentage in the agencies workforce for the same job category, then underutilization is identified. The "percentage under" is the difference between 80 percent of the civilian workforce and the agency's workforce in that job category. The agency must increase the percentage of employees in that job category by the "percentage under" to alleviate underutilization.

The majority of SOAH's employees have education beyond high school, with over 50 percent having advanced degrees, as ALJs are required to be licensed attorneys. It is critical to the mission of the agency to recruit, hire, train and retain attorneys who possess the required education and experience to hear and manage the cases in SOAH's jurisdiction. The career plan for ALJs provides for recruiting and hiring at the entry level of the plan whenever possible and training these employees in-house, through regular training programs and mentoring by more experienced ALJs. This has enlarged the applicant pool, resulting in a more diversified group of applicants for posted ALJ positions.

**TABLE 1**  
**EEOC/SOAH Workforce Utilization Analysis**

**AFRICAN AMERICANS**

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	106,634	7.5%	1	9%	No
Professional	170,711	9.7%	2	3%	4.8%
Technical	33,731	13.9%	1.25	80%	No
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	1	20.0%	No
Administrative Support	342,129	12.7%	6	16%	No
Skilled Crafts	79,794	6.6%	N/A	N/A	N/A
Service and Maintenance	457,730	14.1%	N/A	N/A	N/A

**HISPANIC AMERICANS**

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	299,521	21.1%	0	0.0%	16.88%
Professional	329,852	18.8%	7	11%	4.0%
Technical	65,591	27.1%	0	0%	21.68%
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	2	40%	No
Administrative Support	857,995	31.9%	13.75	37%	No
Skilled Crafts	559,232	46.3%	N/A	N/A	N/A
Service and Maintenance	1,620,826	49.9%	N/A	N/A	N/A

## FEMALES

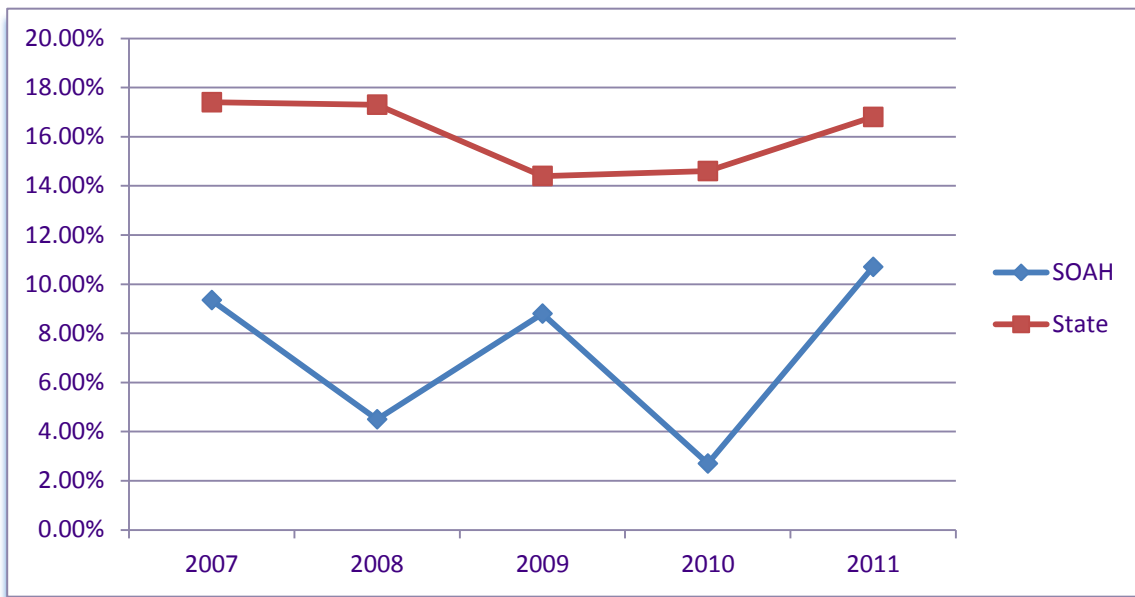
	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	590,110	37.5%	6	62.5%	No
Professional	1,067,188	53.3%	31%	49.6%	No
Technical	142,563	53.9%	0	0.0%	43.12%
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	5	100.0%	No
Administrative Support	1,905,766	67.1%	33.75	92%	No
Skilled Crafts	73,318	6.0%	N/A	N/A	N/A
Service and Maintenance	1,259,140	39.1%	N/A	N/A	N/A

*\*Statewide Civilian Workforce statistics for Paraprofessional and Protective Services are no longer provided by DOL.*

### I. Employee Turnover.

Significant employee turnover impacts any organization, and SOAH is no exception. However, the agency has decreased its turnover rate significantly in recent years. During FY 2007, SOAH's turnover rate was 9.35 percent, over eight percentage points lower than the FY 2007 statewide average of 17.41 percent. The rate dropped significantly in FY 2008 to 4.45 percent, again significantly lower than the statewide 17.28 percent. Although the rate rose in FY 2009 to 8.83 percent, it remained much lower than the 14.45 percent statewide turnover rate. SOAH's turnover rate dropped drastically in FY 2010 to 2.65 percent compared to the statewide average of 14.57 percent. Although SOAH's turnover rose again in FY 2011 to 10.67 percent, it was still much lower than the statewide average of 16.85 percent. SOAH attributes the rise in its turnover to an increase in employee retirements. The following graph compares the average SOAH turnover to that of the state over the last five years. The agency turnover rate includes interagency transfers, while the statewide rate does not.

## TURNOVER RATE – AGENCY TOTAL



## II. Length of Service.

The greatest percentage of employee turnover experienced in FY 2011 was among employees with agency service of ten to fifteen years, with a turnover rate of 23.53 percent. Of this group, five of the six departing employees retired from state service. The statewide average for this category was 8.94 percent. Both the “less than 2 years” and the “2 to 4.99 years” brackets experienced a turnover rate of 10.53 percent, compared to a statewide turnover rate of 35.60 percent in the “less than 2 years” and 16.56 percent in the “2 to 4.99 years” categories. There was no turnover in the “5 to 9.99 years” group, compared to the statewide rate of 10.35 percent in that category. The rate of turnover for employees with more than fifteen years’ service but less than twenty increased from no turnover in FY 2010 to a rate of 7.84 percent, compared to the statewide rate of 8.39 percent. This category’s turnover was due solely to employee retirements. This trend is expected to continue as more employees reach retirement age. SOAH continues to provide meaningful training and to implement retention strategies which will provide incentives to keep these more experienced employees. SOAH had no employees with over twenty years’ agency service in FY 2011. The agency celebrated its twentieth anniversary in FY 2012.

<b>Length of Service related to Turnover and Agency Workforce, 8/31/2011</b>				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Less than 2 years	10.53%	35.60%	8.44%	22.9%
2 - 5 years	10.53%	16.56%	25.33%	25.4%
5 - 10 years	0%	10.35%	20.89%	27.8%
10 - 15 years	23.53%	8.94%	22.67%	10.4%
15 – 20 years	7.84%	8.39%	22.67%	7.8%

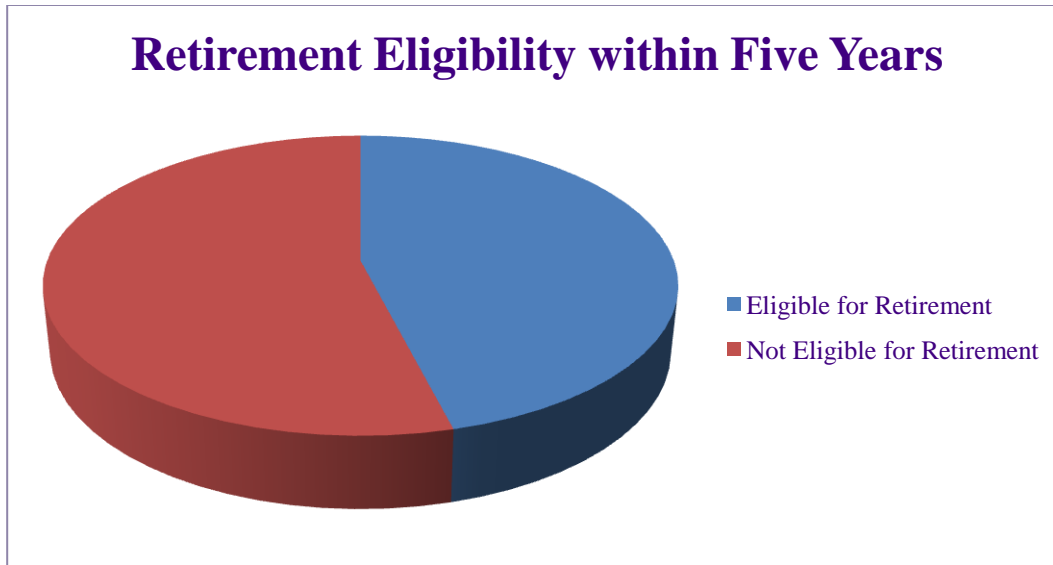
### **III. Age.**

SOAH's turnover rate is substantially lower than the statewide rate in all age categories. SOAH employs a much higher percentage of employees who are over forty years of age than the statewide average.

<b>Age related to Turnover and Agency Workforce, 8/31/2011</b>				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Under 30	25.0%	33.71%	3.6%	15.7%
30 - 39 years	6.7%	17.32%	13.3%	21.5%
40 - 49 years	2.9%	10.84%	31.1%	27.8%
50 - 59 years	4.6%	13.70%	38.4%	25.8%
60 - 69 years	43.6%	23.27%	12.2%	8.7%
70 years or older	66.7%	27.88%	1.3%	0.6%

### **IV. Percentage of Workforce Eligible to Retire within the Next Five Years.**

SOAH currently has approximately 46 employees (43 percent of SOAH's current workforce) who will meet retirement eligibility requirements within the next five years. Of these employees, 33 (72 percent of those eligible) are ALJs. While all areas of the agency are likely to be impacted by retiring staff, the greatest impact will most likely be among the ALJs. Over the next five years, retirement separations will become a critical issue because of the potential loss of institutional knowledge, key positions, and expertise due to the large number (47 percent) of current employees with ten or more years of service with the agency. Many of the employees with ten or more years of service include the employees who participated in the creation and establishment of the agency in its first three years of existence, and it is important to ensure that this knowledge and organizational experience is not lost.



#### **V. Projected Employee Five-Year Turnover Rate.**

Based on the average turnover rate within SOAH during the past five years, the projected turnover rate for the agency for the next five years is 7.19 percent. Although SOAH's turnover rate is far below that of the statewide rate, the number of employees who will become eligible for retirement will most likely significantly increase the turnover rate.

#### **VI. Workforce Skills Critical to the Mission and Goals of the Agency.**

SOAH employs primarily five occupational categories: legal, information technology, hearings support, fiscal (accounting and finance), and human resources. Several critical skills have been identified that are vital to maintaining SOAH's ability to accomplish its mission. These skills include:

- *Integrity/Honesty*
- *Case Management*
- *Presiding Skills*
- *Writing Skills*
- *Customer Service*
- *Timeliness*
- *Technical Expertise*
- *Decision Making*
- *Teamwork*
- *Flexibility*
- *Management Skills*

Based on workforce analysis, SOAH personnel currently exhibit competence within the intermediate to advanced level in the occupational categories for most of the critical competencies.

## **FUTURE WORKFORCE PROFILE**

The demand for the services of the agency will remain constant or will grow in general relation to the population of the state unless legislative actions require a different administrative hearings process or transfer additional agencies or work to or from SOAH's jurisdiction.

### **I. Future Workforce Skills Needed.**

- *Increased use of technology to provide public access to the hearings process, to provide for more efficient filings, employee training, and reduced travel;*
- *Continued improvement in writing skills for non-ALJ employees;*
- *Quality management education for team leaders and non-ALJ managers;*
- *Improved technical training for agency staff as the agency updates its software and programs.*

### **II. Anticipated Increase/Decrease in Number of Employees Needed to do the Work.**

Although retirements have affected the agency's pool of institutional knowledge, no overall increase is expected in the number of authorized full time employees (FTE) absent transfer of additional agencies or hearings.

### **III. Functions Critical to the Success of the Strategic Plan.**

All of SOAH's employees contribute to the success of the agency's mission. The following functions have been identified as those that are most critical to the accomplishment of SOAH's strategic plan.

- *Conducting Hearings;*
- *Conducting Mediations;*
- *Docketing;*
- *Issuance of Proposals for Decision; and*
- *Processing of Administrative License Revocation Appeals.*

## **GAP ANALYSIS**

### **I. Anticipated Shortage of Workers or Skills.**

An analysis of the statistical data presented in this plan identify four areas requiring attention:

- *Difficulty in retaining administrative support staff;*
- *Need to increase the diversity of the agency;*
- *Need for continued staff training and development; and*
- *Potential loss of knowledge, skills and abilities due to retirement.*



Retention of current employees and recruitment of qualified future employees remain a priority for the agency. The agency is beginning to experience a direct correlation between the job categories with the highest turnover and those who are eligible for retirement. Those most likely to separate from the agency for reasons other than retirement are those in administrative support job categories as opposed to those in professional and management positions. However, it is important for the agency to prepare for key talent and knowledge drain when those eligible for retirement opt to leave SOAH.

The Administrative Assistant category has consistently had a higher rate of turnover within the agency compared to other job classes. In FY 2011, SOAH's employee turnover rate in this category was 10.81 percent, a decrease of 0.5 percent compared to the category's FY 2010 turnover rate. Five administrative assistants (19 percent of this group) will be eligible for retirement within the next five years. Retaining these employees will maintain the efficiencies that could be lost while replacement employees are trained, and will assuredly benefit SOAH by continuing and maintaining the agency's institutional knowledge base.

Gap	Higher turnover in the administrative support category of employees
Goal	Develop a Human Resources plan to improve recruitment, training and retention of administrative support employees.
Rationale	Development of a plan and implementation of improved recruitment methods, in-house training, and mentoring of new employees should give incentive to employees to seek advancement within the agency rather than leaving to find advancement.
Action Steps	<ul style="list-style-type: none"> <li>• Continue to monitor success of the career ladder for Administrative Assistants</li> <li>• Seek out new sources of training and development to allow staff to develop and improve knowledge, skills and abilities</li> <li>• Continue to devise and implement new non-pay based retention strategies which create a culture conducive to increased longevity of current staff</li> <li>• Strive to maintain salaries that are competitive with those in other state agencies.</li> </ul>

**SOAH must be prepared for the potential loss of knowledge, skills and abilities due to retirement of its employees.**

Gap	The potential for loss of knowledge, skills and abilities exists due to retirement of SOAH personnel.
Goal	Lessen the potential negative effect of retirement of experienced staff by recruiting highly qualified ALJ and support staff candidates and continuing to train current staff in preparation of succession into more responsible positions.
Rationale	Training current staff for promotion into team leader and management positions will increase the qualified pool of employees who may move into those positions. Recruiting highly qualified ALJ and support staff candidates will decrease the amount of time needed for training to bring the staff up to the level of competence needed for job success.
Action Steps	<ul style="list-style-type: none"> <li>• Continue to seek out and recruit highly qualified ALJ and support staff candidates through the use of the statewide Work in Texas tool as well as other recruiting sources</li> <li>• Continue to cross-train ALJs through the use of home teams and assignments with selected teams</li> <li>• Use management training resources to further develop management skills within the agency management staff to allow succession into higher level management positions.</li> </ul>

## STRATEGY DEVELOPMENT

### I. Succession Plan.

SOAH continues to develop its plan to ensure continuity of leadership and knowledge in all areas. The agency has recognized the need for the transference of knowledge in mission-critical areas and has incorporated a system for ensuring that this knowledge is not lost. Factors that SOAH's management and human resources have considered during this development process include the need for replacement of key management and staff personnel who may be lost due to retirement or other turnover. To facilitate the transference of knowledge and provide for well-developed, qualified, ongoing leadership, the agency has taken the following steps:

- *Developed mentoring, coaching, and cross-training practices;*
- *Designed Team Leader and Team Leader back-up positions to provide management training for potential management candidates;*
- *Implemented career ladders to allow for advancement from entry and mid-level positions;*
- *Developed meaningful performance evaluations that help to identify potential management candidates;*
- *Provided staff career development focusing on management skills;*
- *Incorporated knowledge transfer processes;*
- *Recruited highly qualified candidates to fill vacancies; and*
- *Identified personnel with high potential for management success.*

The success of continuity planning is greatly affected by an agency's rate of retention of highly qualified personnel with valuable skills. SOAH is committed to the retention of its high-performing staff and has implemented the following retention strategies:

- *Providing adequate salaries and merit increases when funds permit;*
- *Making work culture and environment pleasant, supportive, and collegial;*
- *Integrating staff development with career ladders;*
- *Requiring meaningful performance reviews;*
- *Providing flexible work hours;*
- *Teleworking;*
- *Recognition programs;*
- *Promotion of state benefits;*
- *Providing an Employee Assistance Program (when funding permits);*
- *Development of employee wellness initiatives; and*
- *Agency support of work/life balance.*

Executive support of the agency's succession plan will ensure that highly qualified employees will be prepared to transition into leadership and mission-critical positions in the future.